National Alliance on Mental Illness

October 7, 2016

Honorable Sylvia Mathews Burwell
Secretary, Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

RE: Kentucky HEALTH proposal

Dear Secretary Burwell:

NAMI, the National Alliance on Mental Illness, appreciates the opportunity to submit comments on Kentucky HEALTH, a proposed demonstration project under Section 1115 of the Social Security Act. NAMI is the nation's largest grassroots mental health organization dedicated to building better lives for the millions of Americans affected by mental health conditions. While we appreciate Kentucky's support of Medicaid expansion, we are concerned that the Kentucky HEALTH proposal makes significant changes to the current Medicaid expansion program, including changes that will create barriers to enrollment and reenrollment and prevent people from getting the care they need and experiencing continuity of care. In particular, we are concerned about the proposed work requirement, enrollee cost-sharing, enrollment lock-out provisions and non-emergency medical transportation.

Work Requirement

Kentucky's proposal would require childless adults to work, volunteer or attend school in order to be eligible for Medicaid benefits.[1] Research indicates that work requirements are ineffective at promoting long-term employment.[2] Work requirements would likely result in loss of coverage for substantial numbers of Kentuckians living with mental illness, reducing access to comprehensive, consistent healthcare.[3]

Research has shown that screening, early identification and treatment of mental health conditions significantly improves outcomes.[4] Medicaid coverage provides millions of Americans with access to preventive screening, diagnosis and treatment for mental health conditions. Work requirements create a barrier to coverage that is likely to delay or disrupt prevention, early-intervention and treatment for people with mental health conditions.

[1] We recognize that Kentucky's plan includes an exemption for those who are unable to work, including individuals who are deemed medically frail. However, we know that identifying these individuals is administratively complex. In addition, diagnosis, prevention and early-intervention for mental health conditions requires that people have access to health coverage well before they would be deemed medically frail.

[2] Hannah Katsch, *Medicaid Requirement Would Reduce Health Coverage, Increase Poverty*, http://www.cbpp.org/blog/medicaid-work-requirement-would-reduce-health-coverage-increase-poverty (July 15, 2016).

[3] Hannah Katsch, *Medicaid Work Requirements Would Limit Health Care Access Without Significantly Boosting Employment*, http://www.cbpp.org/research/health/medicaid-work-requirement-would-limit-health-care-access-without-significantly (July 13, 2016).

[4] *See, e.g.*, National Institute of Mental Health, Recovery After Initial Schizophrenia Episode, https://ftp.nimh.nih.gov/health/topics/schizophrenia/raise/index.shtml (last visited Oct. 4, 2016); Substance Abuse and Mental Health Services Administration, Prevention of Substance Abuse and Mental Illness, www.samhsa.gov/prevention (last visited October 4, 2016).

Finally, the effort to enforce work requirements would create administrative burdens and increase the complexity and costs of operating Kentucky's Medicaid program.[5]

Enrollee Cost-Sharing

Kentucky's proposal would require all Kentucky Health Enrollees—except pregnant women, children and people deemed medically frail—to pay a monthly premium for Medicaid coverage. After 60 days, people below the poverty line who fail to make premium payments would remain enrolled in Medicaid, but would be required to make copayments for all health services. People above the poverty line who fail to make premium payments after 60 days would no longer be enrolled in Medicaid. Enrollees would also have two types of accounts: 1) a deductible account which the state would deposit $1000 to cover the enrollee's deductible and 2) a *My Reward*s account which would permit enrollees to access benefits such as dental and vision coverage that are not otherwise covered by the plan.

Research has consistently demonstrated that premiums deter enrollment and act as a barrier to obtaining healthcare.[6] Similarly, evidence indicates that charging copayments as a penalty for nonpayment of premiums will dissuade participants from actively seeking care[7]. As we noted above, it is critical that people with mental health conditions have access to comprehensive, consistent care that helps promote early-identification and treatment. Delays and disruptions in mental health treatment lead to increased costs over time, as the burden of care is often shifted to crisis services and the criminal justice system.

In addition, the structure of the Kentucky HEALTH account system is complex. We are concerned that enrollees, particularly those with serious mental illness, will not have a clear understanding of how the system works and would have difficulty accessing deductible and *My Rewards* accounts.

Finally, enrollment in Kentucky HEALTH is contingent on an initial premium payment. People below the poverty line who do not make a premium payment would be required to wait 60 days from the determination of eligibility before coverage begins. This forces people below the poverty line who are unable to afford premiums to needlessly go 60 days without access to healthcare. Such a gap in coverage leaves enrollees vulnerable to an episode of mental illness when timely intervention could prevent harmful, costly consequences.

Open Enrollment Period

Kentucky's proposal would permit a six-month lock-out period for beneficiaries who do not complete their annual redetermination in a timely manner. Individuals who are locked-out would be permitted to return only if they complete a financial or health literacy course.

CMS previously rejected a similar proposal from Indiana, noting that such a program is inconsistent with the objectives of the Medicaid program. CMS noted that many low-income individuals face challenges with mail delivery and language access. People who live with mental illness disproportionately experience housing instability, homelessness and other challenges that result in lower rates of reenrollment. A six-month lock-out period would result in gaps in coverage, treatment and care, especially for people with mental illness. Furthermore, experience in other states shows that gaps in Medicaid coverage result in much higher rates of medical expenditures when a person is reenrolled. This discontinuity of care is costly not only to individuals and families, but to the Medicaid program.

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[5] Hannah Katsch, *Medicaid Work Requirements Would Limit Health Care Access Without Significantly Boosting Employment*, http://www.cbpp.org/research/health/medicaid-work-requirement-would-limit-health-care-access-without-significantly (July 13, 2016).

[6] Laura Snyder & Robin Rudowitz, *Premiums and Cost Sharing in Medicaid: A Review of the Research Findings*, https://kaiserfamilyfoundation.files.wordpress.com/2013/02/8417-premiums-and-cost-sharing-in-medicaid.pdf (February 2014).

[7] This appears to have been the case in Indiana. *See, e.g.*, Judith Solomon*, Indiana's Medicaid Waiver Evaluation Shows Why Kentucky's Medicaid Proposal Shouldn't Be Approved*, http://www.cbpp.org/research/health/indiana-medicaid-waiver-evaluation-shows-why-kentuckys-medicaid-proposal-shouldnt-be (August 1, 2016).

Non-Emergency Medical Transportation

Kentucky's proposal requests a waiver of non-emergency medical transportation for the newly enrolled adult population. Last year, Kentucky reported that at least 140,000 NEMT trips were utilized. For many people with mental illness, particularly those who live in rural areas, access to transportation to medical and mental health appointments is crucial.

Kentucky points to data from states like Iowa and Indiana, claiming that waiving NEMT does not obstruct care. Yet, data from these states indicates otherwise. For example, a recent state evaluation in Indiana found that transportation problems were the most commonly cited reason given by Medicaid expansion enrollees for missing an appointment. In fact, data indicates that adult Medicaid beneficiaries frequently use NEMT to access mental health and substance use services. Information reported by at least one company that provides NEMT services in 32 states showed that the most frequently cited reason for NEMT was transportation to mental health and substance use treatment.[8] We are concerned that waiving NEMT services could have negative consequences for people with mental health conditions, who rely on this vital service for comprehensive, coordinated care.

Thank you for providing NAMI with this opportunity to comment on these important issues.

Sincerely,

Angela Kimball
National Director, Advocacy and Public Policy

[8] Mary Beth Musumeci & Robin Rudowitz, *Medicaid Non-Emergency Medical Transportation: Overview and Key Issues in Medicaid Expansion Waivers*, http://kff.org/medicaid/issue-brief/medicaid-non-emergency-medical-transportation-overview-and-key-issues-in-medicaid-expansion-waivers/ (February 24, 2016).